
U.S. Department of the Interior • U.S. Geological Survey

MINERAL INDUSTRY SURVEYS

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MAGNESIUM IN THE THIRD QUARTER 1996

U.S. primary magnesium production in the third quarter of 1996 was 30,800 metric tons, a 10% decrease from production in the second quarter, according to the U.S. Geological Survey. Producers' shipments were 30,200 tons, and inventories increased to 18,400 tons.

Imports of magnesium through August 1996 were 33% higher than those in the corresponding period of 1995. Primary magnesium imports through August 1996 were nearly four

times greater than primary magnesium imports through August 1995; with this increase came a significant drop in imports of waste and scrap. Magnesium exports through August 1996 were 10% higher than exports in the same period of 1995.

Primary magnesium prices continued on a downward trend, as they have since the beginning of the year. Quoted magnesium prices are shown in the following table.

	Units	Beginning of quarter	End of quarter
Metals Week U.S. spot Western	Dollars per pound	\$1.90-\$1.94	\$1.70-\$1.80
Metals Week U.S. spot dealer import	do.	1.63-1.68	1.50-1.58
Metals Week European free market	Dollars per metric ton	2,900-3,100	2,700-2,850
Metal Bulletin free market	do.	2,700-3,150	2,450-2,900

A preliminary review of countervailing duties on pure and alloy magnesium imports from Canada, conducted by the International Trade Administration, resulted in the determination of a rate of 4.01% ad valorem for the 1994 calendar year. Final results of the administrative review were scheduled to be published within 120 days of the publication of the preliminary notice. These duties affected only Norsk Hydro Canada Inc., the company that was affected by the original 1992 ruling.¹ This is a reduction of the original duty rate of 7.61%, which was established in 1992.

Diemakers Inc. reportedly installed the first of two 1,200-ton, cold-chamber diecasting machines at its new facility in Hannibal, MO. Production at the plant was expected to begin in the first quarter of 1997, about 3 months earlier than originally scheduled, because of several new automotive diecasting jobs.²

Ford Motor Co. announced that it would use steel instead of magnesium alloys for the instrument panel support beams in its new luxury sport sedans, scheduled for introduction in 1999. Despite this decision, analysts estimated that Ford was the world's leader in the use of automotive magnesium diecastings.³ Auto analysts estimated that the average magnesium content of the 1997 model cars will increase to 2.9 kilograms from an average of 2.5 kilograms in the 1996 models.

Ganton Technologies reportedly began construction of a new magnesium diecasting facility in Pulaski, TN. The first phase of construction was expected to be completed in April 1997, with commercial production beginning in October. Growth in automotive diecasting was cited as the reason for the new plant.⁴

Dead Sea Works Ltd. was studying plans to construct a magnesium diecasting plant as part of its primary magnesium production facility being constructed near the Dead Sea. Israel's

ministry of trade and industry was expected to support the new plant because of high unemployment in the area; estimated employment at the plant would be 100.⁵ Commercial production of primary magnesium at Dead Sea's plant was expected to begin early in 1997.

¹Federal Register. Pure Magnesium and Alloy Magnesium From Canada;

Preliminary Results of Countervailing Duty Administrative Reviews. (Int. Trade Admin.). V. 61, No. 195, Oct. 7, 1996, pp. 52435-52437.

²Platt's Metals Week. V. 67, No., 42., Oct. 21, 1996, p. 9.

³Wrigley, A. Ford Jettisons Magnesium. Am. Met. Mark., v. 104, No. 157, Aug. 14, 1996, p. 12.

⁴Metal Bulletin. Ganton Builds US Diecasting Plant. No. 8126, Nov. 4, 1996, p. 10.

⁵Platt's Metals Week. Dead Sea Works Mulls Magnesium Plant Expansion. V. 67, No. 45, Nov. 11, 1996, p. 14.

TABLE 1
U.S. IMPORTS FOR CONSUMPTION AND EXPORTS OF MAGNESIUM 1/

(Metric tons)

	1995	1996				
		Jan.-May	June	July	August	Jan.-Aug.
Imports:						
Metal	6,480	7,160	2,460	1,390	1,330	12,300
Waste and scrap	11,500	1,760	307	233	236	2,540
Alloys (magnesium content)	15,900	7,510	1,940	1,610	2,170	13,200
Sheet, tubing, ribbons, wire, powder, and other (magnesium content)	866	297	188	145	161	791
Total	34,800	16,700	4,890	3,370	3,900	28,900
Exports:						
Metal	21,500	6,990	1,690	1,600	1,370	11,600
Waste and scrap	3,540	3,310	707	688	808	5,510
Alloys (gross weight)	6,080	2,390	863	526	889	4,670
Sheet, tubing, ribbons, wire, powder, and other (gross weight)	7,200	3,970	761	447	650	5,830
Total	38,300	16,700	4,020	3,260	3,720	27,600

1/ Data are rounded to three significant digits; may not add to totals shown.

Source: Bureau of the Census.

Figure 1.--Magnesium production, shipments, and inventories

